

cost of replacing the property, with a just allowance for depreciation on rolling stock, and also of other conditions, to be considered as in the case of private property.

(b) They shall then assess the value of the franchise, which shall be determined by due consideration of the gross earnings as compared with the operating expenses, and particularly by consideration of the value placed upon the whole property by the public (the value of the physical property being deducted), as evidenced by the market value of all capital stock, certificates of indebtedness, bonds or any other securities, the value of which is based upon the earning capacity of the property.

(c) The aggregate value of the physical or tangible property and the franchise as thus determined shall be the true value of the property for the purpose of an *ad valorem* taxation, and shall be apportioned in the same proportion that the length of such road in each county bears to the entire length of such division or branch thereof; and the Corporation Commission shall certify, on or before the fifteenth day of September, to the chairman of the county commissioners and the mayor of each city or incorporated town the amount apportioned to his county, city or town; and the said Commission shall make and forward a like certificate to the Auditor of the State. All taxes due the State from any railroad company, except the tax imposed for school purposes, shall be paid by the treasurer of each company directly to the State Treasurer; and upon failure to pay the State Treasurer as aforesaid, he shall institute an action to enforce the same in the county of Wake or any other county in which such railroad is located, adding thereto twenty-five per centum of the tax. The board of county commissioners of each county through which said railroad passes shall assess against the same only the tax imposed by the State for school purposes and those imposed for county purposes.

SEC. 64. *Railroads.*

When any railroad has part of its road in this State and part thereof in any other State, the said Commission shall ascertain the value of railroad track, rolling stock and all other property liable to assessment by the Corporation Commission of such company as provided in the next preceding section, and divide it in the proportion to the length such main line of road in this State bears to the whole length of such main line of road, and determine the value in this State accordingly. On or after the first Monday in July, the said Commission shall give a hearing to all the companies interested touching the valuation and assessment of their property. The said Commission may, if they see fit, require all argument and communications to be presented in writing.

SEC. 65. *Railroads.*

If the property of any railroad company be leased or operated by any other corporation, foreign or domestic, the property of the

Valuation of
franchise.
Mode of valuation

Value for taxation.

Apportionment
to counties.

Certificate to
counties.

Certificate to
auditor.

State taxes paid
to treasurer.

Action to enforce
payment.

Penalty.
Taxes assessed
by counties.

Proportionate
assessment of
railroad partly
outside the State.

Hearing to com-
panies.

Argument and
communications
in writing.

Taxes on leased
railroads.